

# Payment Voucher for Foreign Partner or Member Withholding

## 2012

## 592-A

### To be filed by the Withholding Agent.

**Taxable year:** Beginning month \_\_\_\_\_ day \_\_\_\_\_ year \_\_\_\_\_, and ending month \_\_\_\_\_ day \_\_\_\_\_ year \_\_\_\_\_.

**Installment 1** Due by the 15th day of 4th month of taxable year; for weekend or holiday, see instructions.

Business name \_\_\_\_\_  SSN or ITIN  FEIN  CA Corp no.  SOS file no.

First name \_\_\_\_\_ Initial \_\_\_\_\_ Last name \_\_\_\_\_ Contact telephone no. \_\_\_\_\_

Address (including suite, room, PO Box, or PMB no.) \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP Code \_\_\_\_\_

Make check or money order payable to: "Franchise Tax Board." Write the tax ID no. and "2012 Form 592-A" on the check or money order. Mail Form 592-A and check or money order to FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0651. Amount of payment \_\_\_\_\_

For Privacy Notice, get form FTB 1131. 7091123 Form 592-A 2011

✂ DETACH HERE \_\_\_\_\_ IF NO PAYMENT IS DUE, DO NOT MAIL THIS FORM \_\_\_\_\_ DETACH HERE ✂

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**Installment 2** Due by the 15th day of 6th month of taxable year; for weekend or holiday, see instructions.

Business name \_\_\_\_\_  SSN or ITIN  FEIN  CA Corp no.  SOS file no.

First name \_\_\_\_\_ Initial \_\_\_\_\_ Last name \_\_\_\_\_ Contact telephone no. \_\_\_\_\_

Address (including suite, room, PO Box, or PMB no.) \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP Code \_\_\_\_\_

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**Taxable year:** Beginning month \_\_\_\_\_ day \_\_\_\_\_ year \_\_\_\_\_, and ending month \_\_\_\_\_ day \_\_\_\_\_ year \_\_\_\_\_.

**Installment 3** Due by the 15th day of 9th month of taxable year; for weekend or holiday, see instructions.

Business name \_\_\_\_\_  SSN or ITIN  FEIN  CA Corp no.  SOS file no.

First name \_\_\_\_\_ Initial \_\_\_\_\_ Last name \_\_\_\_\_ Contact telephone no. \_\_\_\_\_

Address (including suite, room, PO Box, or PMB no.) \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP Code \_\_\_\_\_

Make check or money order payable to: "Franchise Tax Board." Write the tax ID no. and "2012 Form 592-A" on the check or money order. Mail Form 592-A and check or money order to FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0651. Amount of payment \_\_\_\_\_

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Form at bottom of page.

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TAXABLE YEAR 2012 Payment Voucher for Foreign Partner or Member Withholding CALIFORNIA FORM 592-A

To be filed by the Withholding Agent.

Taxable year: Beginning month day year, and ending month day year.

Installment 4 Due by the 15th day of 12th month of taxable year; for weekend or holiday, see instructions.

Business name SSN or ITIN FEIN CA Corp no. SOS file no.

First name Initial Last name Contact telephone no.

Address (including suite, room, PO Box, or PMB no.)

City State ZIP Code

Make check or money order payable to: "Franchise Tax Board." Write the tax ID no. and "2012 Form 592-A" on the check or money order. Mail Form 592-A and check or money order to FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0651.

Amount of payment .00

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TAXABLE YEAR 2012 Payment Voucher for Foreign Partner or Member Withholding CALIFORNIA FORM 592-A

Check the box to indicate how Form 592-F was submitted (check one box only) Electronic Paper

Taxable year: Beginning month day year, and ending month day year.

Supplemental Payment Voucher Use this voucher only if you have a final withholding payment to remit with Form 592-F. The due date of the Supplemental Payment Voucher is the same as your original due date for Form 592-F, regardless of extension.

Business name SSN or ITIN FEIN CA Corp no. SOS file no.

First name Initial Last name Contact telephone no.

Address (including suite, room, PO Box, or PMB no.)

City State ZIP Code

Make check or money order payable to: "Franchise Tax Board." Write the tax ID no. and "2012 Form 592-A" on the check or money order. Mail Form 592-A and check or money order to FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0651.

Amount of payment .00

For Privacy Notice, get form FTB 1131. 7091123 Form 592-A 2011

# Instructions for Form 592-A

## Payment Voucher for Foreign Partner or Member Withholding

References in these instructions are to the Internal Revenue Code (IRC) as of **January 1, 2009**, and to the California Revenue and Taxation Code (R&TC).

### What's New

**Increase in Rates** – For taxable years beginning on or after January 1, 2012, the maximum personal income tax rate increased to 12.3%. In addition, non-California partnerships are subject to withholding requirements on a sale of California real property at a rate of 3 1/3% (.0333) of sales price or 12.3% of gain. The alternative withholding rate for the gain on sale of California real property by S corporations is increased to 13.8% and 15.8% for financial S corporations.

Beginning January 1, 2011, we began applying Federal Treasury Regulation 1.1446-6 procedures to reduce or eliminate withholding of California tax on effectively connected taxable income (ECTI) from California sources allocable to a foreign partner. The foreign partner must first sign and send IRS Form 8804-C to the partnership. The foreign partner must sign and send Form 589, Nonresident Reduced Withholding Request to the Franchise Tax Board (FTB) along with a signed copy of IRS Form 8804-C. The FTB will review the request within 21 business days. If the request is approved, the partnership should remit the reduced withholding amount to the FTB along with Form 592-A, Payment Voucher for Foreign Partner or Member Withholding.

### General Information

Partnership or limited liability company (LLC) withholding on foreign partners or members is remitted to the Franchise Tax Board (FTB) with Form 592-A, Payment Voucher for Foreign Partner or Member Withholding. At the close of the taxable year, the partnership or LLC completes Form 592-F, Foreign Partner or Member Annual Return, to report the total withholding for the year and allocate the income or gain and related withholding to the foreign partners or members. A completed Form(s) 592-B, Resident and Nonresident Withholding Tax Statement, must be provided to the payees.

**Supplemental Payment Voucher** – If there is a balance due on Form 592-F, submit the Supplemental Payment Voucher from Form 592-A and Form 592-F with the payment at the same time.

**Backup Withholding** – Beginning on or after January 1, 2010, with certain limited exceptions, payers that are required to withhold and remit backup withholding to the Internal Revenue Service (IRS) are also required to withhold and remit to the FTB. The California backup withholding rate is 7% of the payment. For California purposes, dividends, interests, and any financial institutions release of loan funds made in the normal course of business are exempt from backup withholding. For additional information on California backup withholding, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **backup withholding**.

### A Purpose

Use Form 592-A to remit withholding payments to the FTB made during the year, or to remit the balance due on partnership or LLC income or gain allocable under Internal Revenue Code (IRC) Section 704 to foreign (non-U.S.) partners or members.

Use Form 592-A to remit withholding payments under California Revenue and Tax Code (R&TC) 18664. Backup withholding supersedes all types of withholding. For more information on backup withholding, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **backup withholding**.

### B Withholding Rates

R&TC Section 18662 requires withholding on payments made to nonresidents for income received from California sources. For foreign partners or members, the withholding rate is the maximum California tax rate applicable to the partner or member (currently, 8.84% for corporations, 10.84% for banks and financial institutions, and 12.3% for all others).

### C Waivers

There is no provision in the law to allow waivers of withholding to foreign partners. However, if a foreign partner has ECTI from California sources they may apply for reduced withholding. Follow instructions using Form 589.

If the distribution from a partnership or LLC is determined to be a return of capital or does not represent taxable income for the current or prior years, no withholding is required. Although a waiver is not required in these situations, the partnership or LLC may be subject to the penalty for failing to withhold if, at audit, the FTB determines that the distribution represented taxable income.

### D Interest and Penalties

The law provides for interest and penalties on late payments of withholding. Interest is computed from the due date of the withholding to the date paid.

- Failure to timely withhold may result in the withholding agent being personally liable for the amount of tax that should have been withheld and for interest and penalties.
- Failure to provide Form(s) 592-B to the payees may result in penalties up to \$100 per Form 592-B.

### How to Complete Form 592-A

Form 592-A has five payment vouchers. The first four installment vouchers are submitted with each of the four withholding payments throughout the year. The fifth voucher is a supplemental payment voucher. The supplemental payment voucher is only submitted when Form 592-F has a balance due.

To complete the payment vouchers, enter all the information requested, using black or blue ink. If you are submitting the supplemental payment voucher, check the appropriate box for **Electronic** or **Paper** to reflect how Form 592-F is being submitted.

Enter the beginning and ending dates of the partnership's or LLC's taxable year. The year at the top of the form should be the same as the ending taxable year.

To ensure timely and proper application of the withholding payment to the withholding agent's account, enter the business or individual withholding agent's name, and social security number (SSN) or individual taxpayer identification number (ITIN), federal employer identification number (FEIN), CA Corp no., or Secretary of State (SOS) file number of the partnership or LLC in the spaces provided.

**Private Mail Box (PMB)** – Include the PMB in the address field. Write "PMB" first, then the box number. Example: 111 Main Street PMB 123.

**Foreign Address** – Enter the information in the following order: City, Country, Province/Region, and Postal Code. Follow the country's practice for entering the postal code. **Do not** abbreviate the country's name.

Enter the payment amount that represents withholding on partnership or LLC income or gain allocable under IRC Section 704 to foreign (non-U.S.) partners or members. If you have withholding for domestic and foreign partners or members, you can use the Installment Payment Worksheet that follows these instructions to figure the required installment payment amounts of withholding for foreign partners or members. For more information about withholding on foreign partners or members, get FTB Pub.1017, Resident and Nonresident Withholding Guidelines.

**Do not** use Form 592-A to report tax withheld on domestic nonresident partners or members. For more information regarding reporting tax withheld on domestic nonresident partners or members, get Form 592, Resident and Nonresident Withholding Statement.

### When and Where to File

Payments with Form 592-A are due to the FTB on the 15th day of the 4th, 6th, 9th, and 12th month of the partnership's or LLC's taxable year. If there is a balance due on Form 592-F, line 8, remit payment with the Supplemental Payment Voucher provided. The Supplemental Payment Voucher and payment are due by the original due date of Form 592-F, regardless of extension. Using black or blue ink, make your check or money order payable to: "Franchise Tax Board." Write your SSN or ITIN, FEIN, CA Corp no., or SOS file number, and "2012 Form 592-A" on it. Make all checks or money orders payable in U.S. dollars and drawn against a U.S. financial institution.

If you are remitting payment only, detach the appropriate installment voucher from Form 592-A and enclose, but **do not** staple the payment with the voucher and mail to:

FRANCHISE TAX BOARD  
PO BOX 942867  
SACRAMENTO CA 94267-0651

If you are submitting Form 592-F with a payment, you must enclose, Form 592-F, the Supplemental Payment Voucher from Form 592-A, and your payment, but **do not** staple.

Mail these items to the address above.

The withholding agent retains this form for a minimum of four years and must provide it to the FTB upon request.

**Installment Payment Worksheet  
for Foreign Partner or Member Withholding  
(Keep for your records. Do not send to the FTB.)**

Complete only if the partnership or LLC has foreign (non-U.S.) partners or members.

Complete column (a) before going to the next column. . . . .		(a) 1st Installment	(b) 2nd Installment	(c) 3rd Installment	(d) 4th Installment
			First 3 months	First 6 months	First 9 months
<b>1</b> Enter the partnership's or LLC's California source taxable income for each period . . . . .	<b>1</b>				
<b>2</b> Annualization amounts. . . . .	<b>2</b>		4	2	1.33333
<b>3</b> Multiply line 1 by line 2 . . . . .	<b>3</b>				
<b>4</b> Enter the partnership's or LLC's California source taxable income for each period . . . . .	<b>4</b>		First 3 months	First 5 months	First 8 months
<b>5</b> Annualization amounts. . . . .	<b>5</b>	4	2.4	1.5	1.09091
<b>6</b> Multiply line 4 by line 5 . . . . .	<b>6</b>				
<b>7</b> Annualized California source taxable income. In column (a), enter the amount from line 6, column (a). In columns (b), (c), and (d), enter the <b>smaller</b> of the amounts from line 3 or line 6 in each column . . . . .	<b>7</b>				
<b>8</b> Foreign partner's or member's share of line 7 (annualized California source taxable income) . . . . .	<b>8</b>				
<b>9</b> Multiply line 8 by maximum tax rate . . . . .	<b>9</b>				
<b>10</b> Applicable percentage . . . . .	<b>10</b>	23.75%	47.5%	71.25%	95%
<b>11</b> Multiply line 9 by the percentage on line 10 . . . . .	<b>11</b>				
<b>12 (a)</b> . . . . .	<b>12(a)</b>	Zero			
<b>(b)</b> Enter the amount from line 13, column (a) . . . . .	<b>12(b)</b>				
<b>(c)</b> Enter the sum of line 13, column (a) and line 13, column (b) . . . . .	<b>12(c)</b>				
<b>(d)</b> Enter the sum of line 13, column (a); line 13, column (b); and line 13, column (c) . . . . .	<b>12(d)</b>				
<b>13</b> Installment payments of withholding tax due for foreign partners or members. Subtract line 12 from line 11. If less than zero, enter -0- . . . . .	<b>13</b>				

Using this installment payment worksheet and timely paying the calculated amounts protects you from penalties for underpayment. However, if there's a balance due on Form 592-F at the end of the year, submit the final payment using the Form 592-A Supplemental Payment Voucher, and the completed Form 592-F. If you know exactly what the foreign partner's or member's share of California source partnership or LLC income is, you can calculate the payment by multiplying the partner's or member's allocable share of California source taxable income by the maximum tax rate (currently, 8.84% for corporations, 10.84% for banks and financial institutions, and 12.3% for all others) instead of using this worksheet.

**Additional Information**

For additional information or to speak to a representative regarding this form, call the Withholding Services and Compliance's automated telephone service at: **888.792.4900** or 916.845.4900.

OR write to:

WITHHOLDING SERVICES AND COMPLIANCE  
FRANCHISE TAX BOARD  
PO BOX 942867  
SACRAMENTO CA 94267-0651

To get forms by mail write to:

TAX FORMS REQUEST UNIT  
FRANCHISE TAX BOARD  
PO BOX 307  
RANCHO CORDOVA CA 95741-0307

For all other questions unrelated to withholding or to access the TTY/TDD number, see the information below.

**Internet and Telephone Assistance**

Website: **ftb.ca.gov**  
Telephone: 800.852.5711 from within the United States  
916.845.6500 from outside the United States  
TTY/TDD: 800.822.6268 for persons with hearing or speech impairments

**Asistencia Por Internet y Teléfono**

Sitio web: **ftb.ca.gov**  
Teléfono: 800.852.5711 dentro de los Estados Unidos  
916.845.6500 fuera de los Estados Unidos  
TTY/TDD 800.822.6268 personas con discapacidades auditivas y del habla